

REAL ESTATE





DC's office and residential markets are the hottest in the country. Recent survey's conducted by AFIRE and Marcus and Millichap have ranked DC as the #1 market for real estate and retail investment, respectively.

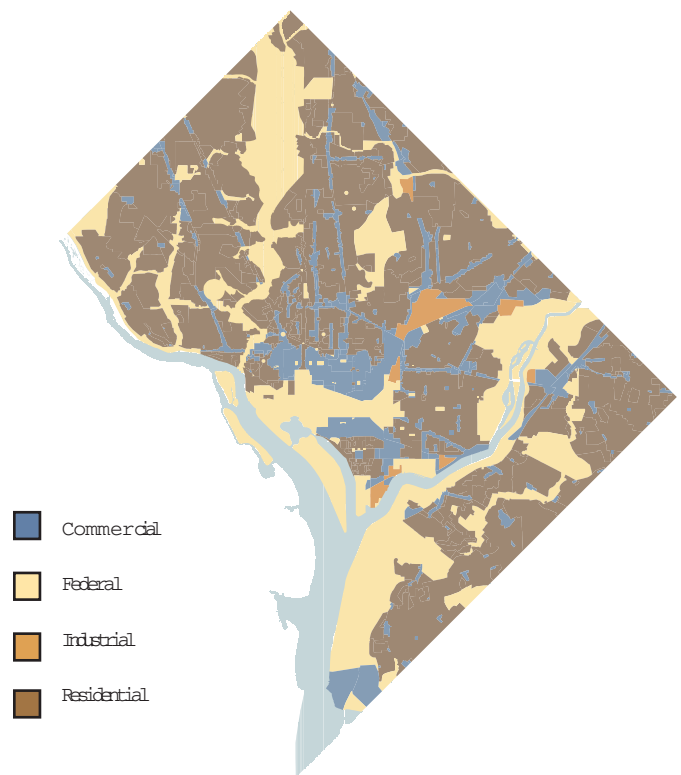
Highest Assessed Values for DC Properties

Property	Value (\$000)
Tax Exempt Properties¹	
George Washington Univ./Hospital	\$690,963
Georgetown University & Hospital	\$440,882
Howard University	\$440,509
Int'l Bank for Reconstruction & Dev.	\$437,212
International Finance Corporation	\$317,197
American University	\$210,334
Washington Hospital Center	\$190,714
National Cathedral	\$175,740
International Monetary Fund	\$165,847
WMATA	\$164,600
Commercial Properties²	
1050 Connecticut Avenue, NW	\$263,020
1835 I Street, NW	\$246,402
555 12th Street, NW	\$208,756
2660 Woodley Road, NW	\$157,906
613 15th Street, NW	\$155,852
555 13th Street, NW	\$151,682
1919 Connecticut Avenue, NW	\$146,444
1501 K Street, NW	\$143,589
1301 K Street, NW	\$141,361
300 E Street, SW	\$139,920
Residential Properties²	
1940 Shepard Street, NW	\$10,312
Foxhall Road, NW (Sq 1346/Lot 822)	\$8,475
2501 30th Street, NW	\$7,438
2840 Woodland Drive, NW	\$5,946
2900 Benton Place, NW	\$5,639
2929 Massachusetts Avenue, NW	\$5,470
1623 28th Street, NW	\$4,851
2933 Benton Place, NW	\$4,686
Foxhall Road, NW (Sq 1346/Lot 824)	\$4,503
2510 Rock Creek Drive, NW	\$4,086

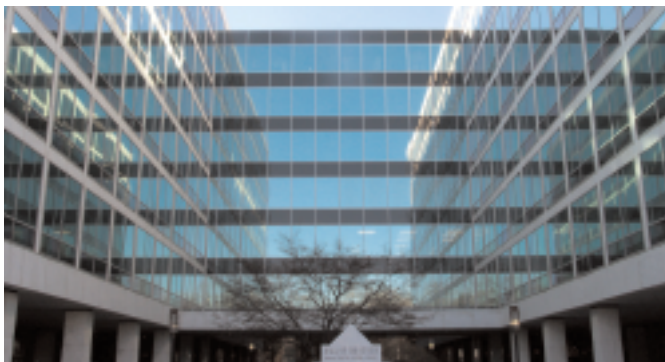
¹Excludes Federal, District & foreign government properties, ²Land and Improvements

Source: Office of Tax & Revenue (October 1, 2002)

District of Columbia Zoning Map



Source: DC Office of Planning



Office Real Estate Market Overview (2Q 2003)

Number of Buildings	1,260
Total Sq. Ft. (RBA)	113,607,918
Vacancy Rate	6.7%
Vacancy Rate w/ Sublet	8.2%
Estimated Gross Rent (\$)	\$38.63
Under Construction/Renovation*	6,693,369
Under Construction/Renovation Pre-Leased*	49.8%

Class A Office Space

Number of Buildings	247
Total Sq. Ft. (RBA)	60,006,243
Vacancy Rate	7.3%
Vacancy Rate w/ Sublet	9.1%
Estimated Gross Rent (\$)	\$41.59

Class B Office Space

Number of Buildings	449
Total Sq. Ft. (RBA)	41,151,093
Vacancy Rate	5.1%
Vacancy Rate w/ Sublet	6.7%
Estimated Gross Rent (\$)	\$34.71

Class C Office Space

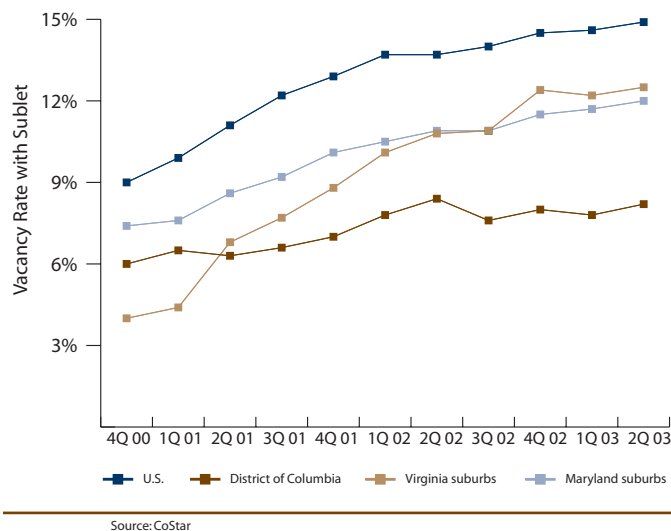
Number of Buildings	564
Total Sq. Ft. (RBA)	12,450,582
Vacancy Rate	8.7%
Vacancy Rate w/ Sublet	8.9%
Estimated Gross Rent (\$)	\$29.13

Federal Government

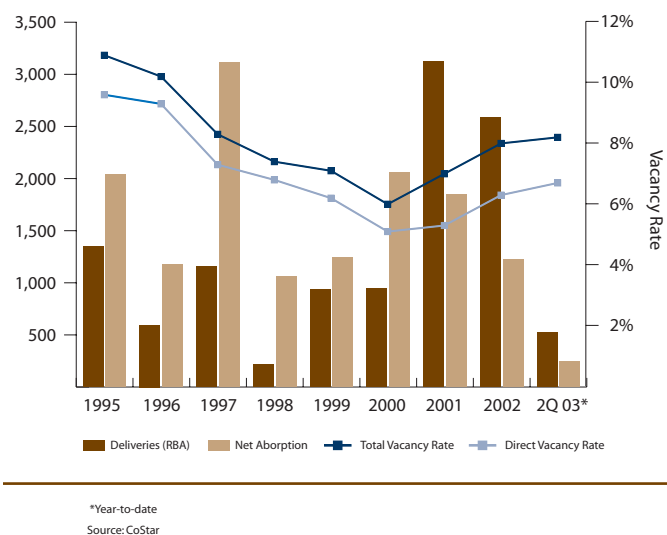
Number of Buildings	1,391
Total Building Area (Sq. Ft.)	67,447,773
Number of Leased Buildings	272
Leased Building Area	20,480,920

Source: GSA (Federal Real Property Profile, Sept 30, 2002), CoStar (*as of August 2003)

DC Metro Area Vacancy Rate Trends

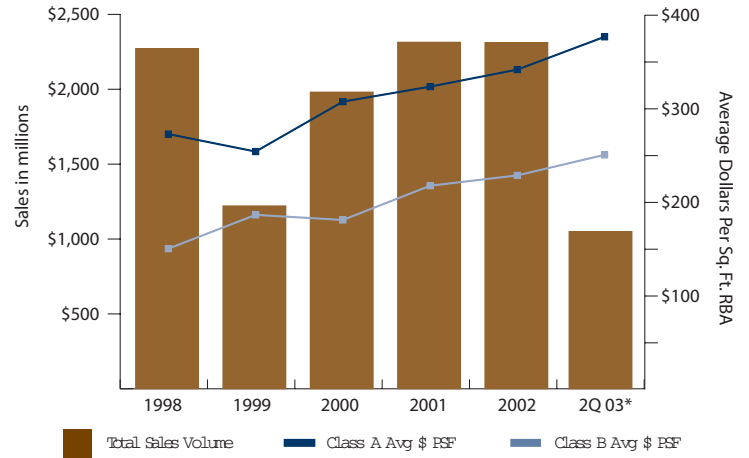


DC Office Absorption and Vacancy Trends





District of Columbia Historical Building Sales



*Year-to-Date
Source: Advantis/GVA

Major D.C. Building Sales (2002 - 2Q 2003)

Address	Year	Sales Price	Purchaser
250 & 300 E Street, SW	2002	\$345,000,000	Wells Real Estate Investment Trust
3000-3050 K Street, NW	2003	\$184,750,000	Broadway Real Estate Partners
1201 & 1225 Eye Street, NW	2002	\$164,500,000	Beacon Capital Partners
800 K & 801 Eye Street, NW	2002	\$162,373,000	John Akridge Cos./Seaton Benkowski & Partners
2300 N Street, NW	2003	\$113,904,000	Blue Capital Investments
1615 L Street, NW	2002	\$112,500,000	The Halle Companies/Galaxy
1101 Pennsylvania Ave, NW	2003	\$107,700,000	KanAm Real Estate
700 13th Street, NW	2003	\$96,500,000	Lend Lease Real Estate Investment
2445 M Street, NW	2002	\$84,500,000	Beacon Capital Partners
1500 K Street, NW	2002	\$83,625,000	Grovesnor Atlantic
601 New Jersey Avenue, NW	2002	\$81,500,000	Polinger Development Company
840 1st Street, NE	2003	\$80,250,000	Stephen A. Goldberg Cos.
799 9th Street, NW	2002	\$77,000,000	Blue Capital Investments
810 7th Street, NW	2003	\$74,600,000	KanAm Real Estate
1325 G Street, NW	2002	\$74,000,000	Tishman Speyer Properties/Lehman Brothers

Source: GWCAR and Advantis/GVA

Top Ten Largest Private Office Buildings*

Building	Location	RBA	Year Built
Nassif Building	400 7th Street, SW	1,317,000	1970
Postal Square	2 Massachusetts Ave., NE	860,000	1913
The Thurman Arnold Building	555 12th Street, NW	769,631	1995
Interamerican Development Bank Building	1300 New York Ave., NW	765,550	1984
1001 Pennsylvania Avenue	1001 Pennsylvania Ave., NW	758,796	1986
Washington Square	1050 Connecticut Ave., NW	708,753	1982
The Warner	1299 Pennsylvania Ave., NW	650,000	1992
Judiciary Office Building	One Columbus Circle, NE	615,000	1992
Columbia Square	555 13th Street, NW	602,464	1987
Transpoint - U.S. Coast Guard HQ	2100 2nd Street, SW	600,000	1973

*As of September 8, 2003

Source: CoStar

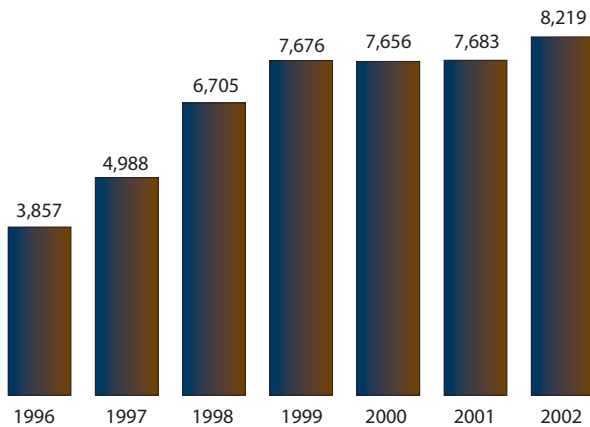
Major Non-Renewal DC Office Leases (2002 - 2Q 2003)

Tenant	Year	SF	Location
GSA - Department of Transportation	2002	1,350,000	Southeast Federal Center
Wilmer, Cutler & Pickering	2003	525,000	1801-1899 Penn. Avenue
Dickstein Shapiro Morin & Oshinsky	2003	417,029	1825 Eye Street, NW
GSA - Securities & Exchange Commission	2002	400,000	600 2nd Street, NE
Finnegan Henderson Farabow Garrett & Dunner	2002	251,337	901 New York Ave., NW
CareFirst BlueCross/BlueShield	2002	244,300	840 1st Street, NE
GSA-Department of Interior- National Park Service	2002	219,750	1201 Eye Street, NW
Winston & Strawn	2002	153,900	1700 K Street, NW
DC Government	2002	149,656	77 P Street, NE
GSA-Environment Protection Agency	2002	135,975	1310 L Street, NW
Corporate Executive Board	2002	122,603	2020 K Street, NW
O'Melveny & Meyers (Law Firm)	2002	118,484	1625 Eye Street, NW
GSA - Housing & Urban Development	2003	116,672	550 12th Street, SW
GSA - US Department of Justice	2003	96,776	800 N. Capitol St., NW
Powell, Goldstein, Frazer & Murphy	2003	85,131	901 New York Ave., NW

Source: GWCAR and Advantis/GVA

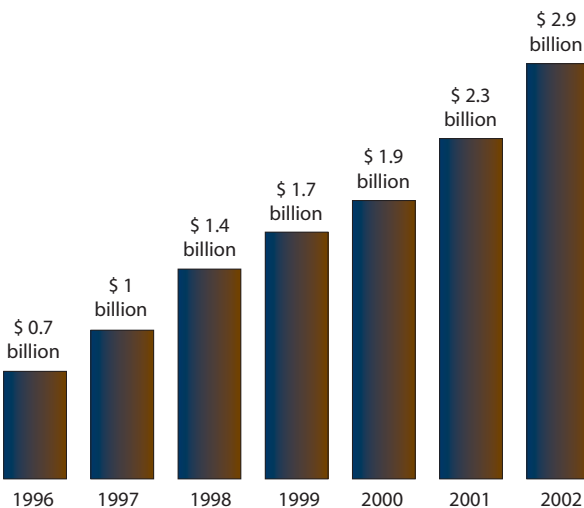
Washington, DC offers a wide-range of housing options to suite anyone's needs, from contemporary living to traditional single-family homes.

District of Columbia Residential Units Sold



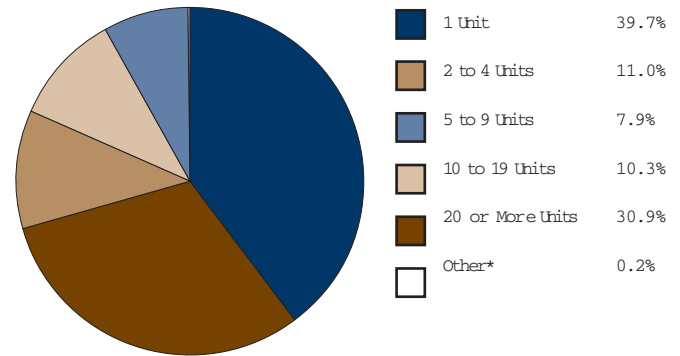
Source: Metropolitan Regional Information Systems, Inc. – MLS Resale Data

District of Columbia Residential Sales Volume



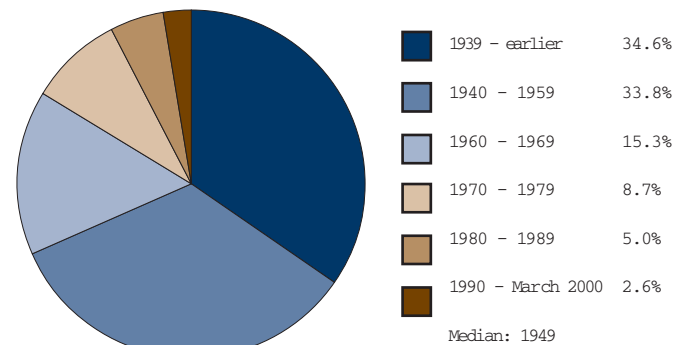
Source: Metropolitan Regional Information Systems, Inc. – MLS Resale Data

Types of DC Housing Units (2000)



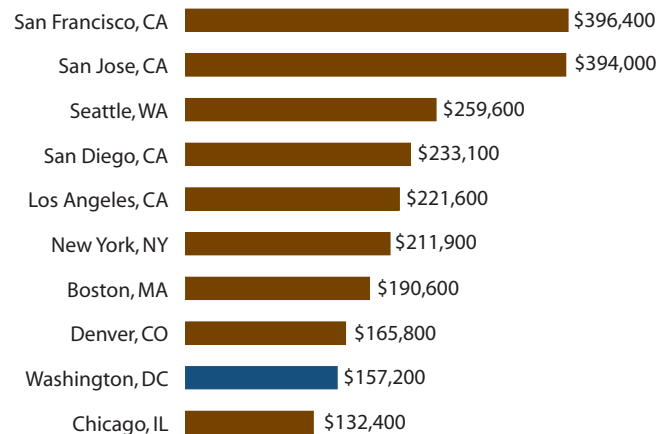
*Mobile homes, boat, RV, van, etc.
Source: Census

Construction Date of DC Housing Units (2000)



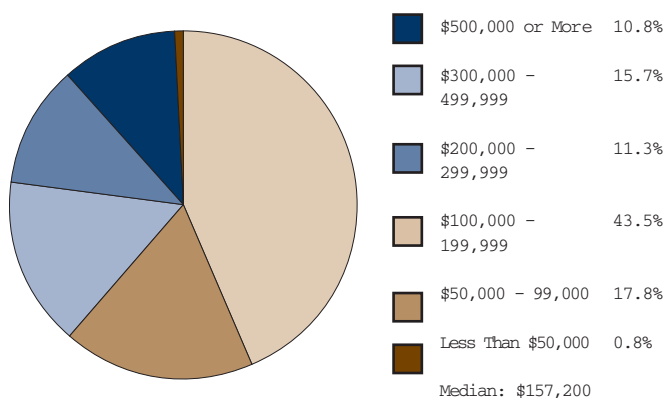
Source: Census

Top 10 Median Home Value by City (2000)*



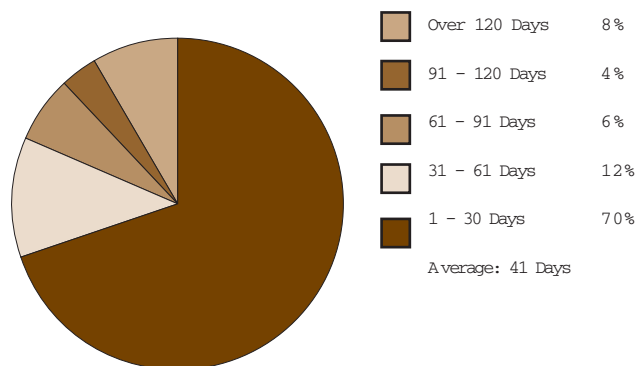
* Top 10 Median Home Values of the 25 largest cities
Source: Census

Home Value of DC Owner-Occupied Units (2000)



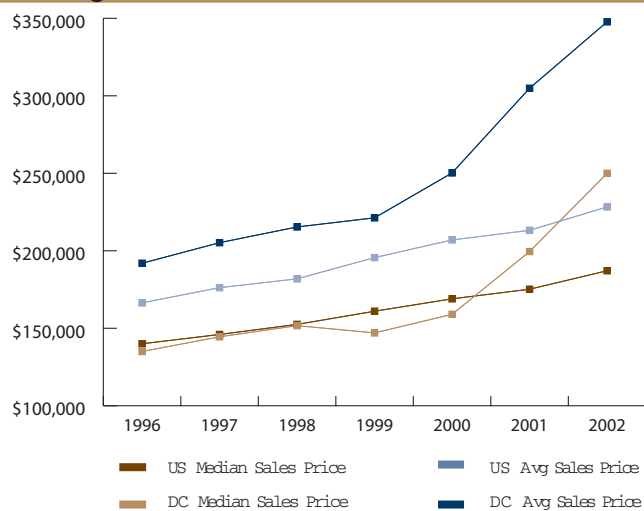
Source: Census

Avg Time on Market of DC Residential Units Sold (2002)



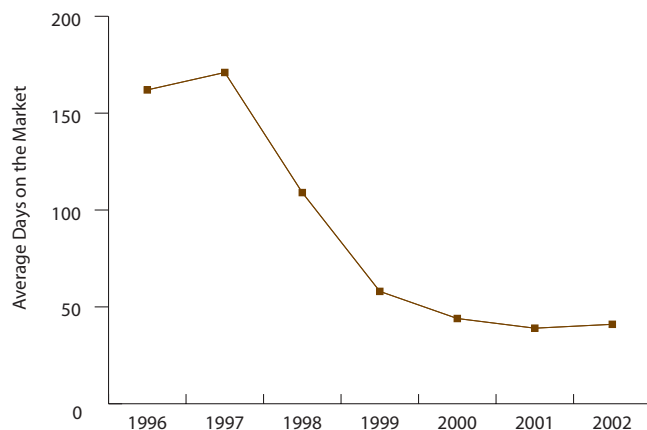
Source: Metropolitan Regional Information Systems, Inc. - MLS Resale Data

Washington, DC Residential Sales Price Trends



Source: Metropolitan Regional Information Systems, Inc. - MLS Resale Data

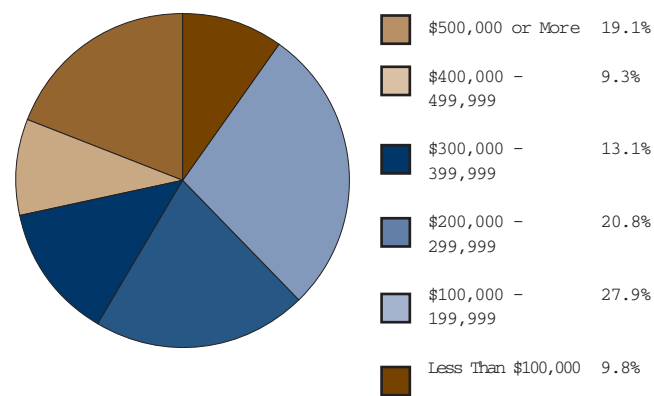
Time on Market of DC Residential Units Sold Trends



Source: Metropolitan Regional Information Systems, Inc. - MLS Resale Data



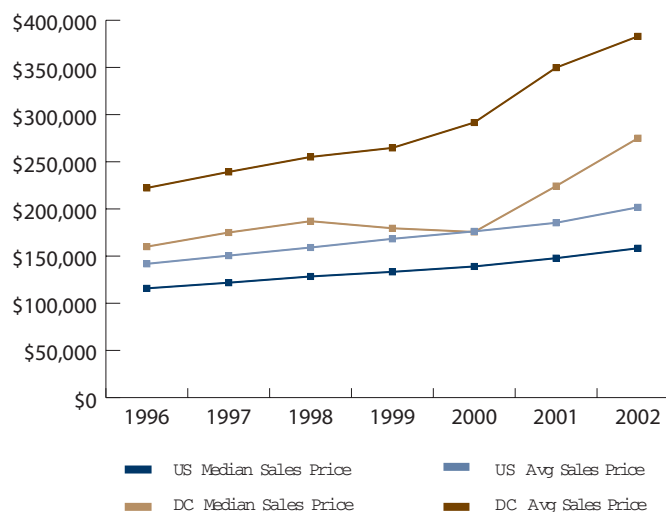
Value of DC Residential Units Sold (2002)



Source: Metropolitan Regional Information Systems, Inc. - MLS Resale Data

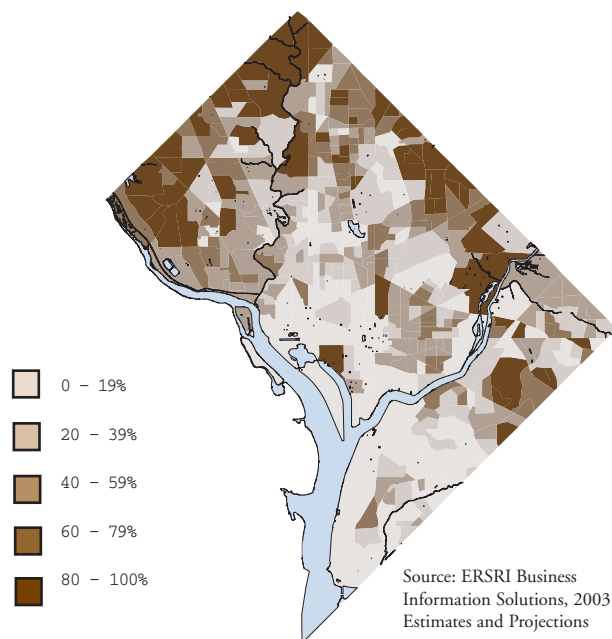
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Average & Median Sales Price: Single Family Homes



Source: Greater Capital Area Association of Realtors/MRIS

Owner Occupied Housing Units Distribution

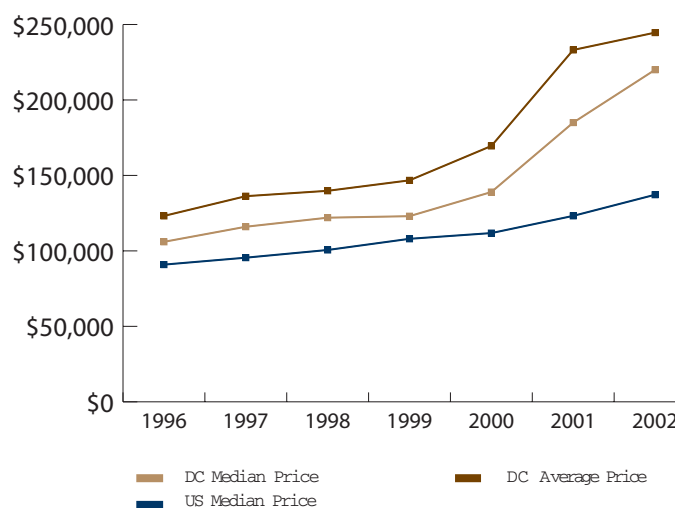


Ratified Purchase Contracts of Single Family DC Homes

Year	Number of Contracts
1999	5,014
2000	5,138
2001	4,921
2002	5,153

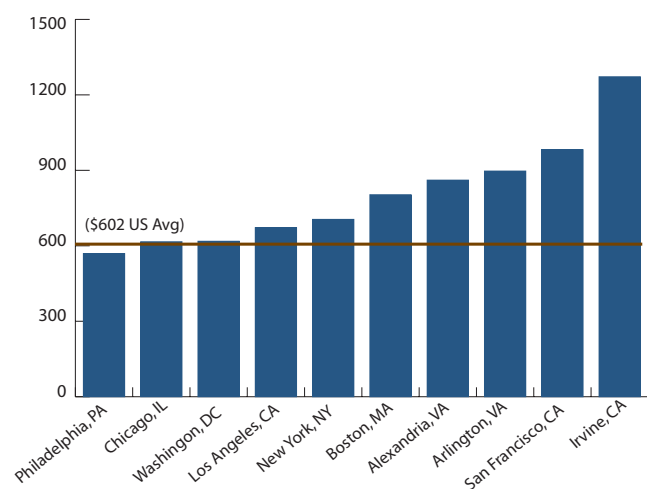
Source: Greater Capital Area Association of Realtors/MRIS

Average Sales Price for DC Condos/Co-ops



Source: Greater Capital Area Association of Realtors/MRIS

Median Gross Apartment Rent (Select Cities)*



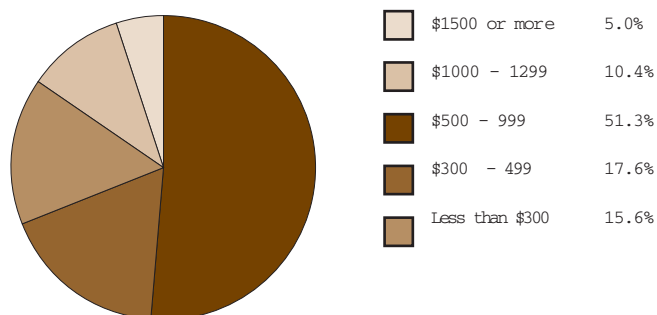
*List generated from Census List of Places with Over 100,000 Residents.
Source: Census

Ratified Purchase Contracts of DC Condos/Co-ops

Year	Number of Contracts
1999	2,807
2000	2,678
2001	2,748
2002	3,144

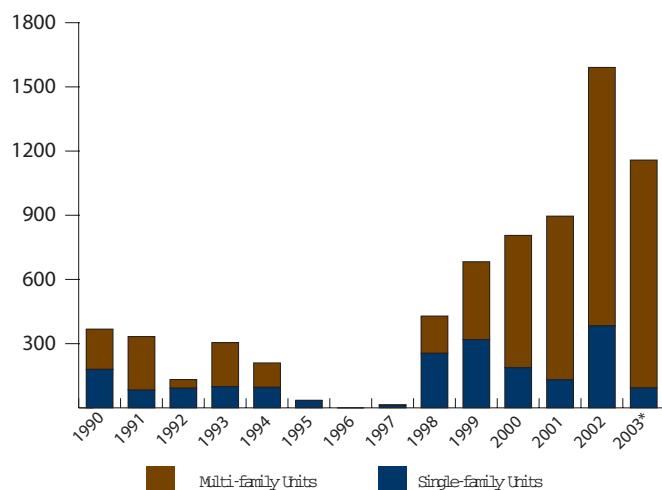
Source: Greater Capital Area Association of Realtors/MRIS

Gross Rent Distribution for Washington, DC*



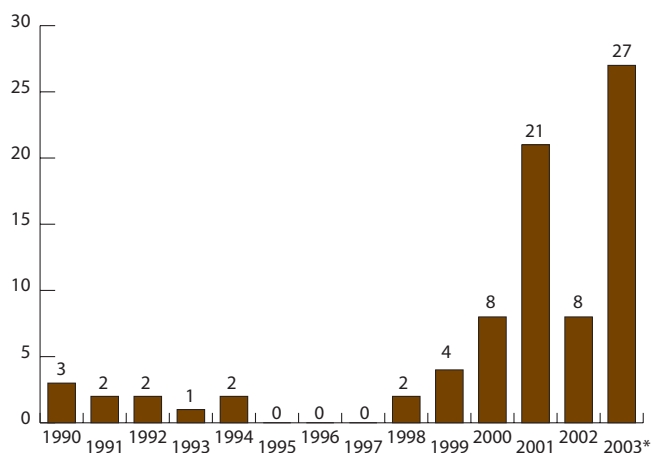
*Gross rent includes the amount of the contract plus the estimated average monthly cost of utilities if these are paid for by the renter.
Source: Census

New DC Residential Building Permits



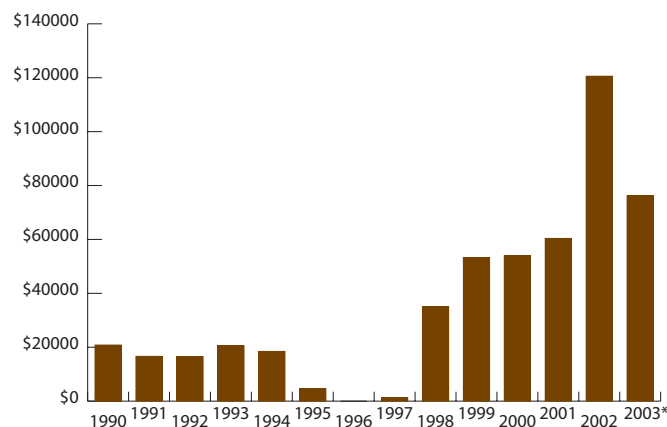
*As of June 2003
Source: Census

New Residential Building Permits (No. of Apt. Bldgs)**



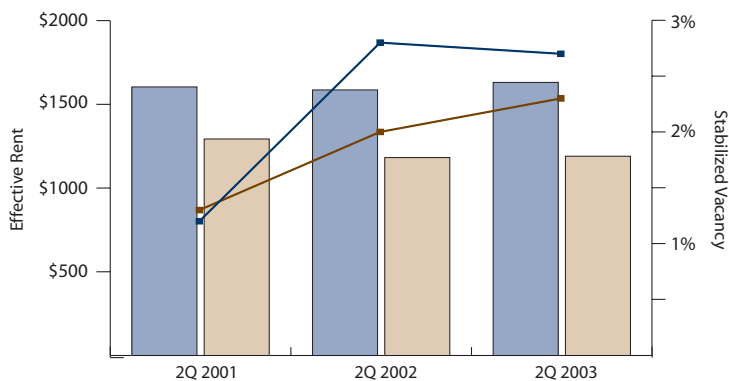
*As of June 2003. **Includes new privately owned DC housing structures with 5 or more units.
Source: Census

Valuation of New DC Residential Building Permits



*As of June 2003
Source: Census

Stabilized Vacancy & Effect Rent (Class A & B Apts)*



*Effective rent excludes units utility costs
Source: Delta Associates



Retail Properties

Recently Completed	897,290sf
Under Construction	873,389sf
Planned	1,937,180sf
Proposed	1,492,050sf
Asking Rental Range	\$15 - \$80/sf
Number of Retail Stores ¹	5,478
Taxable Retail Sales ²	\$7.5 billion

DC Restaurants³

Number of Food Service Establishments	1,976
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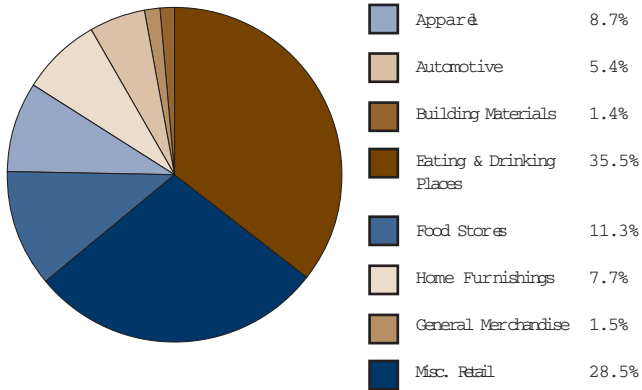
Source: ¹InfoUSA; ²DC Office of Research & Analysis; ³Restaurant Association of Metropolitan Washington

Retail & Restaurant Lease Transactions

Washington retail tenants continue to sign leases and open new stores. New additions like Home Depot and H&M have sparked life into the District's neighborhoods, and continued development activity has created new opportunities for retail growth along commercial corridors like 7th and 9th Streets near the MCI Center and Gallery Place. The following is a list that represents some of the retail leases signed in 2002.

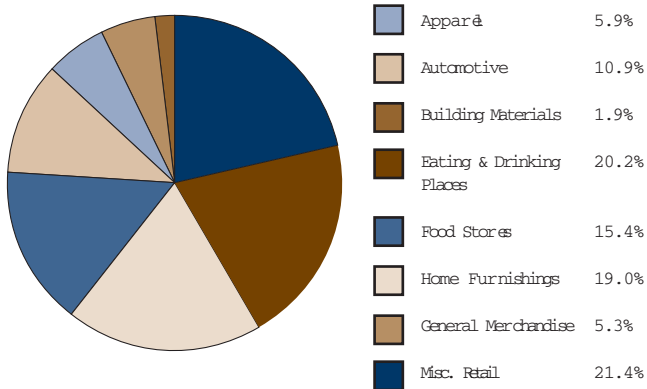
Tenant	Location	Sq. Ft.	Broker/Developer
H&M	Woodies Building	37,000	Douglas Development
Wash. Sports Clubs	Gallery Place	19,780	Madison
Stacks Deli/Archives	1101 Penn. Ave., NW	15,000	Transwestern
Jordan's	Ronald Reagan Bldg.	11,000	Papadopoulos
Zara	1234 Wisc. Ave., NW	10,000	Madison
McFadden's 008	2401 Penn. Ave., NW	9,626	Madison
The Melting Pot	1220 19th St., NW	8,800	Newmark
Chef Geoff's	1301 Penn. Ave., NW	7,500	Asadoorian/Papadopoulos
Ann Taylor	1140 Conn. Ave., NW	7,193	Madison
Jenny's Restaurant	1250 Md. Ave., SW	7,036	Newmark
Miss Sixty	1239 Wisc. Ave., NW	7,000	Newmark
Coach	3261 M St., NW	6,810	Eastbanc/Madison
Bop Georgetown	1237 Wisc. Ave., NW	6,373	Madison
Savino's Lounge	One Dupont Circle	5,600	Transwestern
Dollar Plus	Hechinger Mall	5,400	JBG Rosenfeld
Tequila Grill (sale)	1990 K St., NW	5,400	Newmark
Benetton	1666 Conn. Ave., NW	5,056	Madison
Charles Schwab	1875 K St., NW	5,000	Asadoorian
Dress Barn	900 19th St., NW	5,000	Transwestern
Studio Infinity	2200 Wisc. Ave., NW	5,000	Asadoorian
La Pearl	2600 Penn. Ave., NW	4,600	Transwestern
Pizzeria Paradiso	3280 M St., NW	4,600	Transwestern
Taj of India	2809 M St., NW	4,500	Papadopoulos
Hooters	825-829 7th St., NW	4,300	Douglas/Trammell Crow
Watergate Pastry	The Watergate	4,020	Madison
Logan Hardware	1416 P St., NW	4,000	Asadoorian
Chevy Chase Bank	Market Square	3,819	Trammell Crow
Oriental Oasis	One Thomas Circle	3,500	Transwestern
Bangkok Joe's	Washington Harbour	3,500	Transwestern
Grill 88	1910 18th St., NW	3,300	Newmark
Corner Bakery	1828 L St., NW	3,200	Transwestern

Composition of DC Retail Market (Number of Stores)



Source: InfoUSA

Distribution of DC Retail Market (Sales Volume)



Source: InfoUSA

DC Restaurants

Number of Food Service Establishments	1,976
Number of Restaurant Employees	28,000
Restaurants with \$30/person or higher check	55
Restaurants with \$20 - 29.99/person check	66
Restaurant Sales (2002)	\$1.6 billion

Source: Restaurant Association of Metropolitan Washington,

Concierge.com Hot List: 75 Hot Tables

Concierge.com compiled a list of the world's most exciting restaurants. There was a total of 26 US restaurants on the 2003 list. The DC restaurants are listed below.

Ortanique
Zaytinya
Zola

Source: Concierge.com